

# AgImports

## Continue Four Decades of Expansion

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### *Demand & supply factors at work in a relatively open market*

- Demand: consumer preferences (variety, luxury, ethnic foods); high disposable income; population growth near 3 million/year
- Supply: capital flows build foreign capacity; technology transfer; global supply chains; lower wages favor foreign suppliers of labor-intensive crops

### *FY 2009 import values for products driving most long-term growth*

- Horticultural products \$36.3 billion (fruit & vegs \$18.4 bil, wine & beer \$8.7 bil)
- Snack foods \$5.5 bil, beef & pork \$4.2 bil, vegeils \$4.8 bil, dairy products \$3.1 bil

### *Key observations for FY 2009 – imports up \$4 bil to record \$83 bil.*

- Import growth rate slows to lowest in years: (1) weaker US economy due to housing-market bust & credit crunch; consumer spending squeezed by higher food & energy prices; (2) \$4.7 bil. jump for grains & oilseeds in 2008 will not repeat
- Horticultural products (+) \$1.8 bil., accounting nearly half of total gain
- Tropical products (+) \$1.2 bil as natural rubber, coffee & cocoa continue to grow above trend with high prices and volume gains